DLAM 4005.1

DEPARTMENT OF DEFENSE

DEFENSE LOGISTICS AGENCY

INDUSTRIAL PREPAREDNESS PROGRAM PLANNING MANUAL

July 1985

Cameron Station,
Alexandria, Virginia 22304-6100

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22314

DLA-PR

26 Jul 85

FOREWORD

(Supplementation is permitted by Defense Supply Centers.)

This manual is revised to implement current Department of Defense (DoD) Industrial Preparedness Program (IPP) policy and procedures guidance. It is not intended to repeat the specifics covered in DoD 4005.3-M, Industrial Preparedness Planning Manual, and DLAM 8300.1, Production Manual for Contract Administration Services, but serves to focus on IPP functions to be performed at the Defense Supply Centers (DSCs).

At this time the major thrusts in IPP within the Defense Logistics Agency (DLA) are:

- Automation of the DLA IPP process to make the program more efficient and effective leading to the ability to address and prioritize all of the War Reserve Program (WRP) items which are noted as planning shortfalls.

- Completion of an annual DLA Production Base Analysis (PBA) beginning with the submission of each DSC PBA concerning their share of the U.S. Industrial Base together with recommended Industrial Preparedness Measures (IPMs) to address deficiencies. DLA would then validate, consolidate, and prioritize each PBA IPM and produce a DLA Industrial Base Investment Strategy. This Investment Strategy will be input to the annual Program Objective Memorandum (POM) and budget cycles.

- Emphasis on use of Competition in Contracting Act (CICA) and Federal Acquisition Regulation (FAR) authorities where inadequate U.S./Canadian base exists to develop or sustain domestic base for specific critical items (Butyl gloves, Meals, Ready-to-Eat (MRE), surgical instruments, etc.).

- Emphasis on greater validation of IPP planning allocated by industry including annual selected visits by DSC IPP personnel to critical contractors.

- Identification of commercial alternates as interim solutions to nonavailability of federal specification items.

- Greater use of the Direct Industrial Base Planning (DIBP) procedure.

- Standardization throughout the DSCs on Item Selection Criteria.

- Emphasis on surge and surge production planning.

IPP personnel at the DSCs will play the key role in making the above goals succeed by successfully planning WRP item requirements, thereby reducing the need to maintain them in inventory; by recommending, in cooperation with the Defense Contract Administration Services (DCAS) Armed Services Production Planning

---

This DLAM supersedes DLAM 4005.1, 2 May 75, and Change 1.

Officer (ASPPO) and, when applicable, the industrial community, IPMs where industrial base deficiencies are identified; and by planning, programming, and budgeting for the above IPMs as part of the DLA Director's approved DLA Industrial Base Investment Strategy.

IPP personnel must have a thorough technical understanding of their respective portions of the U.S. Industrial Base. In addition, they must: understand related manufacturing processes to include requirements for facilities, equipment, tooling, test equipment, materials, and labor skills; and work cooperatively with other DSC elements, HQ DLA, Office of the Secretary of Defense (OSD), the Military Services, other Government agencies, and industry to achieve the highest state of military readiness possible.

The Chief, Quality and Production Division, Contracting Directorate, HQ DLA (DLA-PR), is responsible for maintaining this manual in a current status. Users of this publication are encouraged to submit recommended changes and comments to improve the publication, through channels, to HQ DLA, ATTN: DLA-PR.

BY ORDER OF THE DIRECTOR

GEORGE A. WHITE
Colonel, USAF
Staff Director, Administration

DISTRIBUTION
3

COORDINATION: DLA-KS, DLA-LR, DLA-LP, DLA-OS, DLA-OW, DLA-AP, DLA-U, DLA-PP, DLA-CB

ACRONYMS

ASPPO	Armed Services Production Planning Officer
BEP	Basic Emergency Plan
CAO	Contract Administration Office
CICA	Competition in Contracting Act
CLIN	Contract Line Item Number
CONUS	Continental United States
DCAS	Defense Contract Administration Services
DIBP	Direct Industrial Base Planning
DLA	Defense Logistics Agency
DLAIER	Defense Logistics Agency Industrial Equipment Reserve
DMSMS	Diminishing Manufacturing Sources and Material Shortages
DoD	Department of Defense
DPAS	Defense Priorities and Allocations System
DSCs	Defense Supply Centers (to include Defense Personnel Support Center)
ERS	Emergency Relocation Site
FABEP	Field Activity Basic Emergency Plan
FAR	Federal Acquisition Regulation (Formerly DAR)
GFM	Government Furnished Material
GFP	Government Furnished Property
IPM	Industrial Preparedness Measure
IPP	Industrial Preparedness Program
IPPL	Industrial Preparedness Planning List
JCS	Joint Chiefs of Staff
M-Day	Mobilization Day
MANTECH	Manufacturing Technology Program

MIN	Mobilization Identification Number
MIPR	Military Interdepartmental Purchase Request
NSN	National Stock Number
OSHA	Occupational Safety and Health Act
OWRMR	Other War Reserve Materiel Requirement
OWRMRP	Other War Reserve Materiel Requirement Protectable
PBA	Production Base Analysis
PLT	Production Lead Time
PWRMR	Pre-Positioned War Reserve Materiel Requirement
RPEP	Register of Planned Emergency Producers
RSAC	Region, State, Area, County Code
SAMMS	Standard Automated Materiel Management System
ST	Special Tooling
STE	Special Test Equipment
WMPC	War Materiel Production Capability
WMR	War Materiel Requirement
WRP	War Reserve Program

TABLE OF CONTENTS

DEFINITIONS

Administration of Production Equipment Controls (Cost). The cost of operation of the Defense Industrial Plant Equipment Center and of activities in all DoD components connected with the administration, control, provision of technical services, redistribution, and other industrial plant equipment management functions. (Does not include the cost of packing, crating, handling or transportation.)

Commander in Chief Critical Item List (CINC CIL). A prioritized list of items/weapon systems developed by the Organization of the Joint Chiefs of Staff based upon those items/weapon systems considered by the Commander of the Unified and Specified Commands to be most critical to their immediate warfighting capability. The CINC's CIL will be furnished to the DoD Components annually for their use in selecting items/weapon systems for production surge planning and in the development of the Military Services' CIL.

Critical Items List (CIL). A prioritized list of end items/weapon systems that are essential to sustained combat operations. This list serves as the basis for development of the Industrial Preparedness Planning List (IPPL), and is used as a guide for allocation of resources.

D-Day. The day on which an operation commences or is to commence. This may be the commencement of hostilities or any other operation. (D-Day and M-Day may or may not occur simultaneously.)

D to P Concept. A logistic planning concept by which the gross materiel readiness requirement in support of approved forces at planned wartime rates for conflicts of indefinite duration will be satisfied by a balanced mix of assets on hand on D-Day and assets to be gained from post-D-Day production through P-Day when the planned rate of production deliveries to the users equals the wartime rate of expenditure (consumption).

Defense Guidance (DG). The document containing the annual programming guidance from the Secretary of Defense to DoD Components.

Direct Industrial Base Planning (DIBP). Alternate method of production planning. This method is used when the acquisition activity elects to conduct production planning directly instead of having the Armed Services Production Planning Officer (ASPPO) perform this service.

Defense Industrial Plant Equipment Center (DIPEC). A primary level field activity of the Defense Logistics Agency (DLA) responsible for providing services to DoD Components in performance of functions specified in DoD Directive 4215.18, Management of Defense-Owned Industrial Plant Equipment (IPE).

Industrial Base (IB). That part of the total privately-owned and Government-owned industrial production capacity in the United States and Canada and the depot-level equipment and maintenance capacity of the United States, its Territories and Possessions, as well as capacity located in Canada that is, or shall be made, available in an emergency for the manufacture of items required by

the U.S. Armed Forces and selected allies.

Industrial Mobilization. The transformation of industry from its peacetime activity to an industrial program necessary to support the national military objectives. It includes the mobilization of materials, labor, capital, production facilities, and contributory items and services essential to the industrial preparedness program.

Industrial Preparedness. The state of preparedness of industry to produce essential materiel to support the national military objectives.

Industrial Preparedness Measures (IPM). Measures or actions designed to shorten post M-Day lead time or to increase production capacity for planned items and critical components.

Industrial Preparedness Program (IPP). Plans, actions, or measures for the transformation of the industrial base, both Government-owned and civilian-owned, from its peacetime activity to the emergency program necessary to support the national military objectives. It includes industrial preparedness measures such as modernization, expansion, and preservation of the production facilities and contributory items and services.

Industrial Preparedness Planning List (IPPL). A listing of items designated for planning by each DoD Component as necessary to sustain combat and mobilization needs, for which surge/mobilization planning should be accomplished. (RCS DD-DR&E(A)1201)

Industrial Preparedness Representative (IPR). The designated industrial representative who is the plant's counterpart to the ASPPO.

M-Day. The day mobilization commences.

Minimum Sustaining Rate (MSR). The lowest monthly production rate at which a plant can produce the planned items without increasing its unit cost above the cost of the item that would apply in a minimum single-shift operation and retain its production/maintenance capabilities.

Mobilization Planning Period. The period of consecutive months from M+1 through the month in which P-Day is reached or M+24 months (or longer at Military Service discretion for special items). This planning period covers requirements beginning the next fiscal year (FY) beyond the calendar year in which the planning is prepared.

Other War Reserve Materiel Requirement Protectable (OWRMRP). The quantity of an item acquired and placed in stock against an Other War Reserve Materiel Requirement.

P-Day. That point in time at which the rate of production of an item available for consumption equals the rate that the item is required by the Services/DLA.

Planned Producer. An industrial firm/activity that has indicated its willingness to produce or repair military items during surge/mobilization under

industrial preparedness planning procedures by consummating a production planning schedule.

Planning Document. An instrument used by acquisition activities to acquire IPP planning data from industry, e.g., DD Form 1519, Industrial Preparedness Program Production Schedule, DD Form 1664, Data Item Description, Direct Industrial Base Planning (DIBP) Agreements.

Planning Item. Any critical item/component selected for industrial preparedness planning.

Planning, Programming, and Budgeting System (PPBS). The PPBS constitutes a primary management system used by the Department of Defense to establish and maintain the Five Year Defense Plan (FYDP) and the defense budget. Used to administer the resource allocation process, the PPBS helps ensure defense capabilities needed to accomplish assigned objectives. It helps as well to ensure effective use of available resources.

Production Base Analysis (PBA). An annual report prepared by the Military Departments and DLA summarizing the status of the industrial base that is available/required to meet surge/mobilization requirement. (RCS DD-DR&E(A)1201)

Secondary Item. End items, replacement assemblies, parts, and consumables other than principal items.

Sector Study. A survey of a specific segment of the industrial base to determine its capacity for production of defense material.

Special Test Equipment. Electrical, electronic, hydraulic, pneumatic, mechanical or other items or assemblies of equipment, which are of such a specialized nature that, without modification or alteration, the use of such items (if they are to be used separately) or assemblies is limited to testing in the development or production of particular test functions. The term "special test equipment" includes all components or any assemblies of such equipment but does not include consumable property, special tooling or buildings, nonseverable structures (except foundations and similar improvements necessary for the installation of special test equipment), general or special machine tools, or similar capital items.

Special Tooling. All jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, and replacements thereof, which are of such a specialized nature that, without substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof, or the performance of particular services. The term includes all components of such items, but does not include consumable property, special test equipment, or buildings, nonseverable structures (except foundations and similar improvements necessary for the installation of special tooling), general or special machine tools, or similar capital items.

Surge. The accelerated production, maintenance, and repair of selected items, and the expansion of logistics support services to meet contingencies short of a declared national emergency utilizing existing facilities and equipment. Only existing peacetime program priorities will be available to obtain materials,

components, and other industrial resources necessary to support accelerated program requirements; however, increased emphasis may be placed on use of these existing authorities and priorities.

Surge Planning. The process by which an item/weapon system is examined in depth to assess what must be done and at what initial cost, in order to build in a capability to rapidly increase the production rate in peacetime, within the limits of the contractor's existing "brick and mortar." Planning is conducted to ensure significant production rate increases for consumable type items within 6 months and within 12 months for the more complex major weapon systems.

War Consumables. Supplies that are consumed in use, such as ammunition, clothing, medicines, or supplies that lose their identity, such as repair parts.

War Reserve Program (WRP). A program dedicated to providing the support required to equip and maintain the approved forces specified in the Secretary of Defense guidance, through the period prescribed for war materiel planning purposes.

Chapter I - GENERAL

1-1 INTRODUCTION. The overall military readiness plan is based on national objectives and policy formulated by the National Security Council. The Joint Chiefs of Staff (JCS) develop the strategic readiness plans which in turn guide the Military Departments in developing their supporting operational war plans. Based on such plans each Military Department computes its detailed, time-phased requirements for materiel to support the mission to be performed. These detailed materiel requirements are the prerequisites for emergency production planning with industry and set the objectives for which industrial capacity is sought. The Industrial Preparedness Program (IPP) provides the means for controlling and coordinating such planning with DoD.

1-2 INDUSTRIAL PREPAREDNESS PROGRAM

1-2-1 The Office of the Assistant Secretary of Defense for Acquisition and Logistics (OASD(A&L)) monitors the various subordinate programs under the Defense Department (DoD) IPP and establishes the policy for accomplishment of these programs.

1-2-2 The staffs of the Military Departments and the Defense Logistics Agency (DLA) locate industrial capacity, negotiate emergency production plans, register planned producers, and perform other related actions with industrial management under the IPP. Normally, when an item is procured by one military activity for use by another military activity, the buying activity has the IPP responsibility. The selection of items, the planning system to be used, and the degree of IPP planning to be undertaken are within the prerogative of the buying activity.

1-2-3 Within DLA, Heads of the Defense Supply/Support Centers (DSCs) are responsible for developing mobilization plans for assigned commodity areas and a system for expeditious implementation of such plans under various emergency conditions.

1-2-4 In preparing mobilization plans, DSCs must integrate aspects of other programs such as:

War Reserve Program (WRP)
Basic Emergency Plan (BEP)
Defense Priorities and Allocations System (DPAS)
Acquisition and Management of Industrial Resources
Diminishing Manufacturing Sources and Material Shortages (DMSMS)
Manufacturing Technology Program (MANTECH)
Industrial Modernization Incentives Program (IMIP)

1-3 POLICY

1-3-1 IPP planning seeks to achieve a sustained state of industrial readiness to meet various military contingencies primarily through increased production by the U.S. industrial base. The target is to strengthen Defense production capabilities at reduced Defense acquisition costs and provide options for sustaining/improving the viability of the base to meet peacetime, surge, and

mobilization needs. Planning will be designed to increase the degree of support from industry in order to minimize the need for war reserve stocks.

1-3-2 To fully support the military needs during an emergency, the total stocks available on the day mobilization commences (M-Day) must be adequate to meet the demand until sufficient deliveries from post M-Day production can be realized. The more quickly deliveries can be made from production in the post M-Day period, the lower the stockage needed on M-Day. Accordingly, planning will be designed to optimize the degree of support from industry after M-Day in order to minimize the need for reserve stocks. Since a reduction in post M-Day production lead time will allow a corresponding reduction in the necessary quantity of M-Day stocks, or will reduce the severity of a potential wartime supply shortage, continuing attention will be applied to measure for shortening production lead time including improvements in the responsiveness of industry to DLA wartime requirements.

1-3-3 One of the primary objectives of the IPP is the optimum reduction of lead time to expedite the flow of critical items to the military user. This objective can be best achieved through judicious utilization of available production resources. Towards this end the IPP provides for acceleration, post M-Day expansion, and conversion of industry.

1-3-4 Effective IPP planning can provide DLA with various options and alternatives at the outset of an emergency. It can also provide improved lead time and smooth industrial transition to meet increased production requirements.

1-3-5 IPP procedures should be employed only when they will improve the emergency production potential or are necessary to maintain the existing production base. Planning to surge production of certain items is undertaken with current producers; whereas, mobilization planning may be undertaken with current and noncurrent producers.

1-3-6 SURGE/MOBILIZATION

a. During an emergency (declared/undeclared) it will be critically important to increase production as rapidly as possible to replace stocks as they are demanded and to build up reserve stocks to the level required to support any continuing emergency effort.

b. Since no damage to the production base is anticipated under emergency conditions, reliance could be placed on support from this source, and plans formulated to ensure timely response.

c. Planning will be predicated on the assumption that production support will be required for any emergency. Planning will be accomplished on a continuing basis to attain the required level of production to support the Military Services' requirements in the event of hostilities. In addition, production plans are to be updated every two years or when requirements change significantly.

d. Planning will be undertaken to optimize the readiness posture of the commercial industrial production base to expand/accelerate production. Plans

will be designated to establish a base to support the full needs of the Services in the most efficient and economical manner. Reliance for providing this industrial base will be in the following order of preference:

(1) Privately-owned facilities and production equipment. Contractors will be encouraged to provide all required facilities and production equipment on the most economical basis.

(2) Privately-owned facilities and associated Government-owned production equipment that are not available in the civilian economy.

(3) Government-owned facilities and production equipment. These will be included in the production base for the sole purpose of remedying known deficiencies in privately-owned capacity when such action is in the best interests of the Government.

e. Consistent with the provisions of this manual and Industrial Preparedness Planning Program Manual, DoD 4005.3-M, mobilization planning will be geared to the particular acquisition and supply problems at each DSC. The planning techniques used by each DSC will be the ones that best align the urgency and priority of demands of the Services for critical supplies with the ability of industry to produce these supplies. Programs will provide for retention of a reasonable number of sources compatible with economic plant operation.

f. Planning will be integrated with current acquisition programs to ensure interchange of economic and industrial intelligence to facilitate contracting in an emergency.

1-3-7 The active cooperation of industrial management in the IPP will depend largely on the manner in which DoD representatives conduct their initial contact with each facility. This contact will determine, to a large extent, the degree of future participation by management in the program, which while vital to its success, is entirely voluntary. It is important that representatives of industry be made aware of the importance of IPP.

1-3-8 INDUSTRIAL DISPERSION PLANNING

a. One of the most effective ways of minimizing the effect of attack is industrial dispersion planning. By spreading the production base over wide geographical areas and as far away from military targets as is feasible, optimum dispersion is achieved. Dispersal reduces the effects of natural or other disasters.

b. There are no specific dispersion policies or procedures which can be used as guidance in the selection of planned producers. The policy is very general and requires discretion and common sense. Production should be planned among dispersed sources to reduce vulnerability and maximize industrial base survivability.

Chapter II - RESPONSIBILITIES

2-1 THE DIRECTOR, DLA, will:

2-1-1 Provide DLA-managed items to the Services under peacetime, surge, and mobilization conditions.

2-2 THE EXECUTIVE DIRECTOR, CONTRACTING, DLA, will:

2-2-1 Establish the objectives, policy, and procedures for the DLA IPP to assure availability of DLA-managed items in peacetime, surge, and mobilization situations.

2-2-2 Assess the U.S. Industrial Base annually identifying deficiencies and instituting remedial actions.

2-2-3 Exercise staff supervision over the DSCs in accomplishing the objectives of the IPP.

2-2-4 Designate an individual and an alternate to act as the point of contact with the Office of Assistant Secretary of Defense for Acquisition and Logistics (OASD(A&L)) on all IPP matters relating to DLA Contracting functions.

2-2-5 Ensure that IPP is included in the Directorate of Contracting's portion of the DLA Strategic Integrated Logistics Plan in accordance with DLAR 3300.3, Strategic Integrated Logistics Planning.

2-3 THE EXECUTIVE DIRECTOR, SUPPLY OPERATIONS, DLA, will:

2-3-1 Provide guidance to develop the Other War Reserve Materiel Requirements (OWRMR) on items submitted by the Services and assigned to DLA for management/ planning.

2-3-2 Provide guidance on the management of Defense-owned industrial plant equipment.

2-4 THE EXECUTIVE DIRECTOR, CONTRACT MANAGEMENT, DLA, will:

2-4-1 Provide the guidance to the Defense Contract Administration Services Regions (DCASRs) to coordinate the IPP planning at the industrial plant level through the Armed Services Production Planning Officers (ASPPOs).

2-4-2 Provide needed assistance when requested to support development of sector studies, recommendations for Industrial Preparedness Measures (IPMs) and Production Base Analysis (PBA) development by the various DSCs.

2-4-3 Maintain the Register of Planned Emergency Producers (RPEP).

2-5 HEADS OF DEFENSE SUPPLY CENTERS (DSCs) will:

2-5-1 Receive and consolidate Service War Reserve Materiel Requirements (WMR) and identify those items for which IPP planning is required.

2-5-2 Ensure that the IPP planning is effectively and efficiently accomplished to assure ability to deliver Service WMR in a timely manner. This includes evaluating, collecting, and consolidating facility data.

2-5-3 Conduct an annual PBA recommending IPMs (stockpiling materials, components, subassemblies; layaway production equipment, manufacturing technology projects (MANTECH), etc.) to correct WMR deficiencies.

2-5-4 Plan, program, and budget for IPMs to correct WMR deficiencies.

2-5-5 Manage the Defense Logistics Agency Industrial Equipment Reserve (DLAIER).

2-6 DSC IPP PLANNERS will:

2-6-1 Conduct IPP planning when required with the U.S. Industrial Base for commodities assigned so that the DSC can assure WMR are delivered in a timely manner when the Services request same.

2-6-2 Prepare prescribed reports and analyses covering program accomplishments and proposed objectives.

2-6-3 Remain abreast of U.S. Industrial Base supporting assigned commodities through close coordination with industrial and trade associations.

2-6-4 Conduct an annual PBA for commodities assigned.

2-6-5 Develop IPMs in concert with industrial base management and ASPPOs to correct WMR deficiencies.

2-6-6 Develop procedures for evaluating the effects of potential natural disaster (earthquake damage), bomb damage and residual production capability.

2-7 THE ARMED SERVICES PRODUCTION PLANNING OFFICER (ASPPO) will:

2-7-1 Coordinate and integrate preparedness planning for specific industrial plants and be responsible for the accuracy of the planning data developed with the assigned plants. Assist the DSCs by performing sector surveys (industrial facility surveys) upon request; recommend IPMs to correct item shortfalls when deficiencies in requested planning are identified.

2-8 THE COMMANDER, DEFENSE INDUSTRIAL PLANT EQUIPMENT CENTER (DIPEC) will:

2-8-1 Maintain central records of all DoD-owned IPE and manage a general reserve of industrial plant equipment to meet emergency needs of the Military Services/DLA.

2-8-2 Provide technical assistance to the DSCs with respect to the DLAIER.

2-9 U.S. INDUSTRIAL BASE FIRMS:

2-9-1 Participation in the DLA IPP in most cases is on a voluntary basis. Exceptions are those instances in which Government has a contractual right under a facilities lease or a Data Item Description (DID) line item in a current contract. A company's agreement to participate in the IPP indicates a willingness to provide information about production capabilities, physical plant characteristics, and certain other required data. The company also agrees to provide the ASPPO with an official point of contact for coordinating and monitoring the planning process within each participating plant; the information required to develop realistic production schedules and subcontractor production schedules if appropriate; and information on bottlenecks or changes affecting the company's ability to provide the planned production in the required timeframe.

Chapter III - PLANNING PROCEDURES

3-1 PLANNING AN ITEM WITH INDUSTRY. Below are detailed procedures for the planning of an IPP item with industry. These procedures are outlined in the IPP flow chart (Appendix A).

3-1-1 The planning process commences with the receipt of the IPP planning requirements. Requirements for War Reserve Program items are computed by the applicable Military Services and initially screened, validated, and consolidated by the Directorates of Supply Operations at the DSCs. They are furnished to the IPP elements at the DSCs on computer print-outs. Requirements for Military Interdepartmental Purchase Request (MIPR) items are generated by the Services and submitted directly to the IPP elements at the Centers using DD Form 1906. Upon receipt of requirements, they are reviewed and initially consolidated with previously planned requirements.

3-1-2 The most important step in the IPP process is the screening of a candidate item for planning. All items selected for planning must conform to the criteria for item selection set forth in this manual (Chapter IV), and DoD 4005.3-M.

3-1-3 After an item has been selected for planning and a determination has been made that it meets the criteria for planning, an item production history should be developed and evaluated. All NSNs should be verified as to their validity and authenticity - essential for combat effectiveness and have a military application. The Services have made that determination when they nominate an item for mobilization support. For large quantities, research should be made on the need for Government-Furnished Property (GFP), critical, and strategic materials. Drawings and specifications have to be obtained for each major planned item and technical data packages assembled to be made available to prospective planned producers if necessary. For items currently being produced, a review and investigation of any production problems should be made.

3-1-4 The next step in the IPP process is the preparation of the Industrial Preparedness Planning List (IPPL). Detailed instructions for its preparation are set forth in this manual. It is mandatory that these instructions and formats be strictly adhered to, and the DSCs submit their IPPLs to Production Services Branch, Quality and Production Division, HQ DLA, ATTN: DLA-PRS at the appropriate time period. Only items appearing on the IPPL will be designated for planning. Any additions or deletions of items to the IPPL during the planning year should be submitted to Quality and Production Division, HQ DLA, ATTN: DLA-PR for review.

3-1-5 The selection of planned producers and the determination of the need for subcontractor planning is an integral part of IPP planning. DSCs are responsible for the selection of adequate and suitable facilities to satisfy production planning requirements.

3-1-6 Upon selection of planned producers a study file will be established. This file will be prepared in accordance with instructions set forth in Appendix B.

3-1-7 The next step in the planning process is the selection of the planning

method to be used - DD Form 1519 DoD Industrial Preparedness Program Production Planning Schedule, or Direct Industrial Base Planning (DIBP) method, for each planned producer. These methods are described in DoD 4005.3-M. DD Form 1519 should be prepared in accordance with instructions outlined in DoD 4005.3-M. As a minimum, DIBP method (Standard Questionnaire) will be directed at critical items that are less complex, and with low volume/low dollar value. DIBP method will be utilized except when planning through DCAS (DD Form 1519) is in the best interest of the program. After planning documents are prepared, they should be forwarded respectively to the cognizant ASPPO or directly to industry. The schedule is negotiated with the contractor, signed, and returned to the DSC.

3-1-8 Upon receipt of the negotiated DD Form 1519 or when the planned producer provides DIBP data, DSCs should review, analyze, and take any necessary followup actions. If necessary, additional planning should be conducted to meet deficiencies. The study file should then be completed to reflect data on signed DD Form 1519 and on DIBP documentation. Data will be used to update War Materiel Production Capability (WMPC).

3-1-9 A standard Letter Contract should be prepared for each planned producer with a separate Contract Line Item Number (CLIN) for each planned item.

3-1-10 The IPP planning process is concluded with the applicable Service being notified of planning conducted by the DSCs on their items.

3-2 IPP PLANNING PROCEDURE

3-2-1 In general, the DLA mobilization planning procedure is as shown:

a. Receive WMR submitted by the Services.

b. Consolidate and edit WMR to assure adequacy of War Reserve submission.

c. Screen against standard criteria to assure items which do not meet IPP Item Selection Criteria are purged.

d. Select/submit IPPL.

e. Assemble technical data.

f. Canvass potential producers. Perform sector studies, if necessary, to find producers.

g. Select candidate producers and allocate mobilization requirements.

h. Prepare DIBP packages and forward to candidate producer(s); where applicable, prepare DD Forms 1519 and forward to ASPPO(s).

i. Negotiate production schedules with producers - DSC/ASPPO.

j. Furnish WMPC data to SAMMS.

k. Determine need for Industrial Preparedness Measures (IPMs) and initiate

appropriate action.

l. Develop IPP planning packages.

m. Notify Military Departments on the results of IPP planning efforts.

3-3 SUBCONTRACTOR (SUB-TIER) PLANNING

3-3-1 Subcontractor planning is the extension of planning beyond the level of the planned prime contractor. Such planning is used whenever it is necessary to assure that the prime producer will have an adequate source of materials such as major subassemblies and pacing components to meet the emergency production schedule placed on them. Subcontractor planning should be directed at those producers who are likely to have difficulties obtaining components.

3-3-2 Decisions to initiate subcontractor planning may be made by DSCs or jointly by ASPPOs and the producers. DSCs may suggest that subcontractor planning be extended for specific subassemblies. Detailed guidance for the conduct of subcontractor planning is contained in DoD 4005.3-M.

3-4 SECTOR STUDY

3-4-1 The shift away from Defense-related manufacturing disciplines gives cause to question the capability of industry to support full mobilization. Diminishing manufacturing source capability of some of our common (but critical) items has caused supply problems in normal times when requirements are limited. To assure an understanding of the industrial base and to allow sufficient time for planning to overcome shortages and deficiencies, DSCs will utilize sector studies as an IPP planning procedure.

3-4-2 The entire capability of specific industries must be examined, if we are to assure maintenance of our industrial base. Sector studies will be performed on discrete segments of industry where these segments are critical to mobilization. Examples would include: industrial fasteners, textiles, integrated circuits, surgical instruments, cathode tubes, aerial film, valves, etc.

3-4-3 Initial sector studies will be in the area of declining national industrial capability and in areas where capability may be less than mobilization requirements.

3-4-4 Sector studies will be organized to explore, identify, and analyze industry capability to support peacetime as well as mobilization requirements. Trends that indicate changing capability should be developed as an analysis factor. When preparing a sector study, data must be developed that shows the considerations given to and capacity allotted to the military requirements and the civilian sector. The following areas should be covered in all sector studies:

a. Military requirements/civilian sector requirements.

b. Industrial base capacity.

c. Industry trends (scientific advancements, improving/decreasing demands).

d. Probable industry response to surge/mobilization requests.

e. Materials.

f. Labor.

g. Related industries.

h. Impact of imports.

i. IPP planning documentation.

All manufacturers with capability should be requested to participate in the IPP up to a specific percentage of their total capacity. IPP planning documents should annotate percentage of capacity utilized.

3-4-5 Format for sector studies should include the following:

a. Executive Summary.

b. Purpose.

c. Technology and Manufacturing.

d. Industry Capacity and Trends.

e. Current Government Acquisition and IPP Requirements.

f. Conclusions and Recommendations.

g. Attachments and Enclosures.

As these studies are truly IPP planning, a statement must be included in all sector studies that limits the use to duly accredited officials of the Department of Defense.

3-4-6 Statistical data developed on industry capacity and lead time will be input as WMPC in the Standard Automated Material Management System (SAMMS) F-171 report.

Chapter IV - PLANNING ITEMS AND INDUSTRIAL PREPAREDNESS PLANNING LIST

4-1 GENERAL

4-1-1 Planning with industry under any of the techniques prescribed in DoD 4005.3-M normally will be restricted to the items selected by the using Services as candidates for war reserve stockage.

4-1-2 An Industrial Preparedness Planning List (IPPL) item may consist of one or more National Stock Numbers (NSNs). The process of grouping NSNs into planning items is the responsibility of the DSCs and is based on the determination of which NSNs can be produced on the same manufacturing line without major line alterations. Those NSNs requiring separate lines due to product differences will be identified as separate IPPL items. DIBP items may be identified generically and assigned to generic IPPL groups whether or not produced on the same or separate production lines.

4-1-3 An IPP item is an NSN item which has been identified by the Services as a candidate for War Reserve Material support.

4-2 POLICY

4-2-1 The DSCs are responsible for screening and selecting NSN items for IPP; verifying the Mobilization/Emergency Production Planning Requirements; determining the level of IPP to be conducted for such items; and grouping by Preparedness Categories. Items selected for planning will constitute the IPPL. DSCs will assure that items selected for IPP satisfy all of the following conditions:

a. CRITERIA FOR IPP ITEM SELECTION. The IPP will be limited to items or components validated by the Military Services and meeting one or more of the following criteria:

(1) Require a long production lead time (excess of 60 days).

(2) Require development of or additional capacity to meet emergency production requirements.

(3) Require continuous surveillance to assure preservation of an adequate base to support emergency production requirements.

(4) Require critical skills or specialized production equipment.

(5) War reserve requirements are substantially greater than current peacetime requirements.

(6) Total acquisition cost of end item/component requirements to be in excess of $10,000.

b. PROHIBITIONS AND EXCEPTIONS

(1) Items will not be selected for planning if:

(a) Production lead time is less than 60 days.

(b) They are solely for comfort, convenience, or morale.

(c) Obsolete within 12 months (i.e., no longer required, phase out, or being replaced by another item).

(d) Normally commercially available in sufficient quantities and adequately packaged to meet the anticipated requirements.

(e) Peacetime demand rate is equal to or greater than the mobilization requirements.

(2) Planning with industry will not be undertaken by the DSCs for emergency production of basic materials (e.g., copper, steel, aluminum, nickel) in the mill forms and shapes normally produced for commercial use; machine tools, bulk fuel, and food. Planning for these items is the responsibility of other Government agencies. Exception: Planning is allowed for operational rations, petroleum derivatives, and packaged petroleum products.

(3) Foreign production sources other than Canada will not be used in mobilization planning.

(4) Additional mobilization planning will not be undertaken when existing planned capacity meets mobilization requirements.

(5) Mobilization planning will not be undertaken with dealers; only manufacturing/industrial firms.

4-2-2 Mobilization planning will be undertaken only when such planning will contribute to the industrial readiness of the nation to support the Armed Forces during an emergency. The need for planned items should be reviewed continuously to ensure that planning is not being accomplished for obsolete items.

4-2-3 DSCs in coordination with the ASPPOs should periodically review the status of contractor/facilities to ensure that ample capacity remains to accommodate mobilization requirements. On-site reviews to verify this capacity are essential and should be coordinated with the appropriate ASPPO.

4-3 DETERMINATION OF IPP REQUIREMENTS

4-3-1 War Reserve requirements for selected planning items are computed by the Services in accordance with guidance issued by the Secretary of Defense. DLA IPP planning requirements are furnished by the Services as WMR. The WMR are expressed as a monthly quantity on the SAMMS Report, F-176, "Item War Reserve Study."

4-3-2 The assumed or nominal M-Day for the purpose of IPP planning shall be the first day of each planning period, i.e., 1 October.

4-3-3 The emergency production requirements for mobilization items presented to industry shall be expressed as monthly rates on the DD Form 1519 or the contractor supplied production capability on the DIBP standard questionnaire.

4-3-4 Planning may take into consideration the build-up to a production level higher than the predicted consumption rate to make up M-Day stock deficits. Alternatives, including the use of approved substitute items, will be considered if the estimated deficit is beyond the industry capacity.

4-4 DESIGNATION OF PLANNING ITEMS (IPPL ITEMS)

4-4-1 The grouping of NSN planning items into products or product lines tends to reduce the amount of paperwork and labor in preparing for an emergency. For example, communications wire has several NSNs due to variations in spool sizes on which the basic wire is wound, and it would be appropriate to consolidate the NSN items into one Planning List item for planning with industry. The designation of planning items, by name or number, is the responsibility of the DSCs.

4-4-2 Planning along product lines should be accomplished by presenting to industrial management of the selected sources for these items, DD Form 1519, Industrial Preparedness Program Production Planning Schedule, on which the mixture of items comprising a normal contract are grouped and expressed collectively into Planning Categories of product lines. Individual planning schedules should not be used for each item.

4-4-3 When items are grouped for IPP with a specific producer, a detailed listing consisting of the individual items arranged in groups as reflected by product lines will be appended to the IPP plan. A generic listing can be used for DIBP items.

4-4-4 There may be instances where it is desired to negotiate with a planned producer and record separate production schedules for several items on a single DD Form 1519. In many cases the following procedures may be used.

a. Effort will be made to establish a single or a minimum number of product groups to consolidate like items that can be produced on the same assembly line due to similarity of items.

b. Page 1 of the DD Form 1519 will be completed to identify the procuring activity and the plant.

4-5 INDUSTRIAL PREPAREDNESS PLANNING LIST (IPPL)

4-5-1 While the basic IPPL is carried forwarded from year to year, DSCs will forward an updated IPPL to DLA-PRS annually (30 June). During the year, DSCs will also notify HQ DLA as IPPL items are added or deleted from the list. This list will include items categorized by products or product lines (items can be produced on same manufacturing line). All items selected for the IPPL will be reviewed by DLA-PRS.

4-5-2 DLA and the Military Services will interchange copies of their IPPL at the same time that such data are submitted to OASD(A&L). DLA will not use a

priority assignment criterion for item selection. The Military Services have in effect established the priority by nominating items for mobilization support.

4-5-3 The IPPL contains the identification of items which have met the selection criteria for planning. The list should be organized by NSN to fully identify each item with appropriate reference to end item application, planning DSC, user and, when applicable, weapons system. Components which are common to one or more end items should be annotated. The following is a sample format which must be followed:

SAMPLE FORMAT

INDUSTRIAL PREPAREDNESS PLANNING LIST

Major Items and Components	Planning DSC and (Priority*)	Weapon System	User
Valves, NOA Powered			
4820-00-034-1541 Valve, Check	DCSC (1)	Polaris	N
4820-00-026-8473 Drain Cook	DCSC (1)	Polaris Hawk Missile Nuclear Carrier Program, LUT7	A, N, AF
Jackets			
Jacket, Extreme Cold Weather NSN____	DPSC-T (2)	Combat Personnel Use	N
Jacket, Flying Type N-313 NSN____	DPSC-T (2)	Combat Personnel Use	A, AF
Jacket, Cold Weather (Permeable) NSN____	DPSC-T (2)	Combat Personnel Use	N
Adapters, Connectors			
5985-00-064-5561	DESC (1)	Polaris	N
5935-00-549-1159	DESC (1)	Polaris	N
5935-00-926-7775	DESC (1)	Polaris	N
Anesthesia Set, Field NSN____ NSN____	DPSC-A (1)	Medical	A, N, AF

*Degree of Criticality

Priority (1) DLA-managed items contained in Military Service Critical Items Lists and any DLA-managed items identified as integral components of weapon systems.

Priority (2) All other DLA-managed items eligible for IPP planning under DoD and DLA criteria.

Chapter V - SELECTION OF PRODUCERS

5-1 GENERAL

5-1-1 DSCs are responsible for the selection of adequate and suitable production facilities at the contractor level to satisfy the production planning targets. Normally, based on in-house data, DSCs will select the potential planned producers, verify the production capability and prepare the emergency production schedules. Maximum use of current production facilities to support mobilization requirements should be made by DSCs.

5-2 GUIDANCE FOR SELECTION

5-2-1 In selecting planned producers, caution should be exercised in considering only those industrial facilities which can reasonably be expected to be capable of manufacturing/assembly of the scheduled items and quantities as required in an emergency. Extreme effort should be made to avoid plants with a poor performance history, even though such plants may not be excluded from participating in current procurement. Planning with dealers is prohibited.

5-2-2 In selecting facilities as planned producers, no single standard will be used to the exclusion of all others. Following are some of the factors which should be considered:

a. The manufacturing facility should have a plant and all the basic production equipment needed to manufacture the items under consideration.

b. The facility should be financially sound.

c. The facility should be able to convert readily to wartime production of the item.

d. A particularly desirable facility is one which is currently producing or has successfully produced the planned item.

e. The facility is or will be included in the Register of Planned Emergency Producers (RPEP).

f. DEBARRED AND SUSPENDED CONTRACTORS. Contractors on the Consolidated List of Debarred, Suspended, and Ineligible Contractors will not be selected by DSCs as planned emergency producers. Such facilities previously selected should be dropped. Exceptions to this policy will be on a case-by-case basis and on approval of HQ DLA, DLA-PRS.

5-2-3 Where possible, a plant will not be selected to produce the entire production planning requirement for an item.

5-2-4 It is the policy of DLA to place a fair portion of its total contracts with small business concerns and to establish total small business set-asides whenever there is reasonable expectation that offers will be obtained from a sufficient number of responsible small business concerns so that awards will be

made at reasonable prices. FAR Subpart 19.5 further details this DLA policy. Therefore, to the extent consistent with the best interests of the Government and in order to broaden the industrial base, small business firms shall be used to the maximum extent feasible as planned producers in the IPP program. In the event there are sufficient small business producers to satisfy the mobilization demands and their production facilities are so located as to provide optimum geographic dispersion; these small business concerns only will be utilized as planned producers.

5-2-5 To the extent deemed practical, DSCs may plan production for some facilities based on minimum sustaining rates, thus increasing the number of planned sources. This would provide greater flexibility since the mobilization production of some of these planned schedules could be increased to meet increased requirements or offset production lapses in other planned production.

5-2-6 When possible, facilities should be widely dispersed geographically. This geographical dispersion is an effective means of minimizing the effect of an attack. When multiple sources for an item are available, dispersal will be a major factor in the selection of planned producers.

5-2-7 Initial selection of facilities as possible sources of supply should be made from current bidders lists and in-house records. An exploratory visit may be made to determine the availability and suitability of a plant as a potential planned producer. Exploratory visits are to be made by the ASPPO at the request of the planner, or at a minimum the planner may make such visits in coordination with the ASPPO.

5-2-8 DSCs will attempt to select all required planned producers from within the U.S. and Canadian industrial base. The special procedures provided in DoD 4005.3-M will be followed when planning with Canadian facilities is to be undertaken.

Chapter VI - IPP PRODUCTION SCHEDULING

6-1 CONSIDERATIONS

6-1-1 Actual end item schedules consummated with industry should be realistic estimates of the industry's capability and capacity to respond to emergency production demands. These schedules should indicate industry's best estimates (a phased delivery plan based on industry intelligence and approved by the individual producers) to produce the individual item(s). No factor for delivery into the supply system should be included in the quantitative time phased schedules. Accordingly, consolidated WMPC should reflect industry's agreements to deliver. Adjustments to production lead time will only be made for factors affecting production (i.e., availability of materials, equipment, skilled manpower, etc.).

6-1-2 Caution should be exercised to preclude unrealistic planning schedules. Contractor proposed schedules should be tempered by realism, i.e., a schedule which could be reasonably expected to be accomplished in an emergency.

6-1-3 In scheduling production for items consuming Government-Furnished Material (GFM), it will be assumed that adequate GFM stock will be available. Industry will be advised that their schedules are based on the availability of GFM. As stated above, schedules executed with industry will reflect industry's estimate of their ability to produce based on established assumptions and lead time factors. However, where a DSC conducts mobilization planning for a material to be used as GFM, it can develop a more realistic estimate of the availability of such materials to meet the end item production schedule. This anticipated GFM position should be fully considered and end item production schedules adjusted, as necessary, when providing production estimates to supply elements.

6-1-4 The minimum quantity of a noncommercial type item scheduled for a facility should be large enough to provide an economical production run. In the event the mobilization requirement to be placed on a facility is below the level of an economical production rate, the planned production scheduled with the facility will be predicated on an economical run even though such action will result in a more accelerated production rate than is required.

6-1-5 Where capacity is available, it is desirable to have at least two planned production sources for each planned item regardless of the requirements. Such action will avoid reliance on a single source. Effort should be made to ensure proper geographical dispersion.

6-1-6 In negotiating production schedules, industry will be advised that planning is conducted to cover emergency contingencies and is performed to determine how the production capability could best be used to meet these emergency conditions. Industry will also be advised that these schedules will be made the basis for a contract as warranted by the specific emergency conditions.

6-2 LEAD TIME

6-2-1 GENERAL

a. One of the major elements involved in the development of realistic attainable production schedules is proper consideration of production lead time accounting for all lead time factors. Realistic lead time information is necessary to ensure that the surge/mobilization procurement plans accurately reflect the production potential of the nation.

b. Lead time can be separated into two basic areas, administrative and production. Under emergency conditions, procurement by negotiation through issuance of the Letter Contracts is planned. Planned producers should be oriented in this direction. IPP efforts should be geared to accomplish actions which contribute to a further reduction in administrative lead time and also reduce production lead time. Only production lead time data will be provided as WMPC input.

c. The major factors which affect lead time--labor, materials, and production equipment, should be carefully considered. Industry should be made aware of the channels and procedures for obtaining additional labor; the Defense Priorities and Allocations System's (DPAS) role assisting them in obtaining timely allotments of critical material and equipment; and any recommendations for the U.S. Government to provide supplementary production equipment and tooling to permit a fulfillment of an IPP planned production schedule.

d. Additionally, advance selection of the most critical and hard-to-get items and the preferred sources of supply will permit establishment of priorities for emergency procurement actions. Through this planning, the order of placement of contracts to specific producers for the most critical items can and should be predetermined.

6-2-2 ADMINISTRATIVE LEAD TIME. This segment consists of the time elapsing from M-Day to notification to the contractor to proceed with production. DSCs will use 15 days as administrative lead time. This includes notification:

a. To DSC procurement elements to initiate emergency procurements, under authority of 10 USC 2304(c)(3) as cited in FAR 6.302-3, to procure by negotiation.

b. To planned producers to start production in accordance with their planned production schedule.

c. By the planned producers of their acceptance of the Letter Contract.

6-2-3 PRODUCTION LEAD TIME

a. Production lead time is the interval expressed in months between the date of award and the date of first delivery.

b. This segment covers all of the time required by the contractor to produce the item and includes production planning, ordering, and obtaining delivery of materials and components; recruiting and training manpower; run out of commercial production, acquiring; setting up and debugging production lines; and completing the initial production run. The following are major elements to be evaluated:

(1) MANPOWER. The time required to secure or recruit, process, indoctrinate, and train the required labor force must be considered in scheduling production. This may vary from plant to plant and from area to area. Management must recognize that initially labor may drift from nonessential industries to war industries at the earliest possible moment. Consideration should also be given to maximum increase in work hours by existing manpower while recruitment and training of new personnel progresses.

(2) MATERIAL. In scheduling production, the lead time for materials must be taken into consideration. Lead time for materials may be affected or offset in specific facilities under the following circumstances:

(a) Where a contractor's normal production utilizes the identical materials required for the planned item, it can be assumed he/she has well-established sources to obtain his/her own needs, and in addition he/she may carry a normal inventory of materials which will enable him/her to initiate mobilization production at an early date.

(b) A contractor, not normally using the same materials involved in the planned item, must estimate his material requirements, locate suppliers who will accept his/her orders, and usually must exert constant efforts to obtain delivery. Frequently, he must obtain assistance from the DSCs. The time required for such contractors to obtain materials can be reduced by the use of the Defense Priorities and Allocations System (DPAS).

(c) The time required by the planned producers to obtain material will vary between plants. Contractors with normal sources of supply will encounter less difficulty in obtaining materials than those who do not use such materials during peacetime. Materials lead time in some instances will be the determining factor of production lead time.

Chapter VII - INDUSTRIAL PREPAREDNESS MEASURES (IPMs)

7-1 GENERAL

7-1-1 When a DSC determines that projected emergency requirements cannot be met by the capability of existing production facilities, the use of Industrial Preparedness Measures (IPMs) will be considered. IPMs may be developed to identify, resolve or alleviate anticipated mobilization production bottlenecks or deficits. In essence, an IPM applies to any extraordinary action, study, or project which is designed to shorten production lead time or to increase production capacity. An IPM action is one that is outside those which are routinely performed under other IPP functions. IPMs may be accomplished with commercial or other private concerns or may be an "in-house" staff effort.

7-1-2 IPMs must be justified as clearly beneficial to the total industrial preparedness effort and must be selected in order to ensure that available funds are utilized to derive optimum benefit. IPMs are justified only to the extent that:

a. Anticipated savings in mobilization production time, money, critical materials or manpower are in amounts sufficient to justify the expenditure of the funds.

b. Expenditure of funds to accomplish the objectives of a project is essential to satisfy mobilization production requirements. They will not be used to provide funds for measures which more appropriately or effectively can be accomplished through other means.

c. Items to which the projects apply will be retained throughout the planning period without obsolescence.

7-1-3 IPMs to be undertaken by DSCs should be designed to:

a. Establish or improve the industrial producibility of those mobilization essential items for which major difficulties are foreseen in meeting the required production and lead time.

b. Improve industrial preparedness.

c. Apply advances of technology and new development to IPP requirements.

7-2 CRITERIA

7-2-1 IPM projects will accomplish one or more of the following:

a. Explore, analyze, and identify major obstacles to the emergency production of an essential item at required production rates; recommend specific actions to reduce or eliminate such obstacles or to reduce production lead time.

b. Provide production technical assistance in order to facilitate production of essential items, to include, as appropriate: adaptation of items to

production capability; preparation of revisions to engineering drawings, production data, and factory layouts; and design of special purpose tools and production equipment.

c. Provide technical data essential for determination of feasibility of a new type production facility, process line or method.

d. Significantly reduce the need for skilled manpower and/or critical machine tools.

e. Conserve and reduce requirements for critical materials.

f. Provide for application of new materials or manufacturing process to items already developed.

g. Provide essential end item/component engineering, evaluation, and test data.

7-3 LIMITATIONS

7-3-1 IPMs generally will not encompass work which properly should and can be accomplished as part of research and development, current procurement, standardization, or other current activities. Specifically, they do not provide for:

a. Establishment of more than one pilot line for the determination of mass producibility.

b. Support of items being manufactured in large quantities.

c. Development of engineering design criteria.

7-4 PROGRAMMING AND FUNDING

7-4-1 DSCs are responsible for developing and funding the measures or projects necessary to overcome the deficits in IPP plans. These may be accomplished under contract or by in-house staffs.

7-4-2 DSC IPP elements will provide necessary technical data and will collaborate with and assist contracting personnel in the placement of contracts for these measures.

7-5 REVIEW

7-5-1 DSCs will report to DLA-PRS on the progress of implementing approved IPMs.

7-5-2 DSCs will review all previously completed IPMs annually as the IPP item is scheduled for review to determine their continued usefulness and retention or their required revision. IPMs found to be obsolete will be discarded and all other elements/agencies maintaining copies of the original IPM will be advised to discard them.

7-5-3 Review of IPMs containing production equipment, tooling, or drawings of such equipment or tooling will be coordinated within the appropriate organizations at each DSC.

7-5-4 Minor revisions to IPMs, which can be accomplished within resources available to the DSC, will be made to maintain the IPMs in a current status.

Chapter VIII - DLA INDUSTRIAL EQUIPMENT RESERVE (DLAIER)

8-1 POLICY

8-1-1 It is DLA policy to rely upon industry to provide necessary facilities, basic plants, and production equipment needed to produce DLA-procured commodities. However, the provisions for acquiring special tooling in FAR 45.306-2 may be considered by the Contracting Officer when competition is inadequate. Criteria in FAR 45.306-2(d) should be analyzed to weigh advantages and disadvantages on a case-by-case basis. DLAR 4215.4, Acquisition and Management of Industrial Resources, establishes policy and assigns responsibilities for reviewing the utilization, expansion (including acquisition and construction), modernization, replacement, and disposal of such facilities.

8-1-2 Government-owned plant equipment will be furnished, maintained, and supported only when necessary to overcome deficiencies in privately-owned facilities. Because such deficiencies exist with respect to certain DLA commodities, the DLAIER of plant equipment (including IPE), special tooling, and special test equipment has been established to support current and emergency production requirements. Equipment included in this reserve may be stored at DLA or military depots, or at contractors' plants.

8-1-3 Idle IPE will not be retained in the DLAIER, unless it is included in an approved Plant Equipment Package (PEP).

8-2 AUTHORITY

8-2-1 FAR, Part 45, provides authority for DLA to acquire and retain equipment to support mobilization production requirements.

8-3 RESPONSIBILITIES

8-3-1 THE COMMANDERS, DSCs will:

a. Manage the DLAIER program.

b. Assign administrative responsibility for DLAIER items and plant equipment packages (PEPs) to the IPP organization within the Directorate of Contracting and Production.

c. Provide DLA-PRS with a complete inventory listing of DLAIER equipment under their cognizance by 1 December for previous FY. RCS DLA(A)1132(P).

d. Determine the types and quantities of equipment to be retained in the DLAIER.

e. Determine requirements for acquisition and use of equipment.

f. Select storage sites and initiate action for negotiating of Memoranda of Understanding (MOU) covering storage, receipt, inventory, maintenance, and

shipment of DLAIER items stored at DLA Depots.

g. Identify all DLAIER items required to support mobilization production by specific planned producer and end item.

h. Establish PEPs as necessary in accordance with procedures set forth in section 8-8.

i. Fund for:

(1) Transportation of DLAIER when shipments are made at the request of or for the convenience of DLA.

(2) Repair or rebuild of DLAIER.

(3) Procurement of new or replacement DLAIER items. (Approval by DLA-PRS is required on a case-by-case basis to negotiate and/or award contracts for acquisition of IER items.)

j. Take positive action to reduce DLA special tooling and special test equipment holdings. Each DLAIER package must be recertified for retention annually. Recertification, similar to Format B for PEPs, will be forwarded to DLA-PRS by 1 December of each year.

k. Furnish shipping instructions to and request movement notices from for all shipments of DLAIER.

l. Develop annual Depot DLAIER workload forecasts in accordance with DLAR 4145.27, Workload Forecasts for the Storage Operations of DLA Supply Depots. RCS DLA(AR)809(0).

m. Arrange for prebid review of DLAIER by prospective contractors at storage sites.

n. Maintain filing system on DLAIER and PEPs.

o. Arrange inspection of DLAIER and PEPs to determine if existing requirements warrant retention.

p. Arrange for annual inventory records reconciliation.

q. Maintain accountable records for all DLAIER stored at military or DLA Depots.

r. Develop and publish procedures for survey, maintenance, packing, shipping, receiving, and storage of DLAIER.

s. Concurrently with end item modification, determine the adequacy of drawings, specifications, purchase descriptions, and other technical data, and coordinate with DSCs to review or develop new documents as required to keep engineering data current.

t. Prepare purchase descriptions for new items and for repair/rehabilitation of the DLAIER as required.

u. Control the movement of the DLAIER including the preparation, maintenance, and prepositioning of shipment documents to support emergency shipment DLAIER as outlined in the FABEP.

v. Program visual annual surveys of DLAIER by storage site personnel.

w. Develop special studies and technical data relative to the DLAIER tool and die designs, specifications, replacement, and rebuild/overhaul needs and costs.

8-3-2 THE COMMANDER, DIPEC will provide technical assistance to DSCs in support of the DLAIER program.

8-3-3 THE COMMANDERS, DCASRs/DCASMAs/DCASPROs will be responsible for administrative aspects of active/inactive DLAIER, where contractually specified, in contractor facilities.

8-4 PROCEDURES

8-4-1 HQ DLA will maintain inventory records of the total DSC DLAIER. Generally, the DD Form 1342, DoD Property Record, and DIPEC Form 361, DLAIER Tool Listing, or similar forms, will serve as the source documents from which the inventory record will be developed and maintained. By 1 December of each year, DSCs will prepare and furnish to DLA-PRS an inventory listing (for previous FY) reflecting current location, planned producer, planned end item, acquisition cost, year of manufacture, condition, estimated cost of repairs (if any), date of last complete survey, PEP number (if applicable), and special tooling and special test equipment in use on current procurement. Data on equipment, particularly special tooling and special test equipment provided under facilities contract, will be included to the extent available from copies of the contract or which can be provided by DSCs without any significant workload. Detailed data can be developed when equipment is shipped to a military or DLA storage site. The listing will identify items for which projected mobilization requirements have been submitted under the provision of DLAM 4215.1, Management of Defense-Owned Industrial Plant Equipment (IPE).

8-4-2 Within 1 year after the completion of any production contract involving the use of DLA-owned special tooling or special test equipment, and annually, if not used on current contracts, the DSC shall decide (using the decision matrix illustrated at the end of this chapter) whether to retain or dispose of their DLAIER. Each item or production line package will be subject to this review and decision process. Documentation, to include any extenuating circumstances or remarks, will be prepared for each retention or disposal decision and will be retained in accordance with DLAM 5015.1, Files Maintenance and Disposition.

8-4-3 DSCs will take immediate action to dispose of all special tooling/special test equipment determined to be excess by this review process.

8-4-4 Each decision to retain DLAIER items/packages must be recertified to DLA-PRS annually. DSCs should prepare a recertification document, similar to Format B for PEPs, and forward the "DLAIER Recertification" to DLA-PRS by 1 December of each year.

8-4-5 DSCs which retain DLAIER items/packages following the review process shall determine and document the costs associated with the storage of that DLAIER. Costs paid as part of the current facility contracts or overhead and storage costs that are incurred under existing or future no-cost storage agreements will be identified and documented. If costs cannot be identified, reasonable estimates shall be recorded and labelled as such. Contractor storage costs may be estimated by using DoD 4145.19-R, Storage and Warehousing Facilities and Services. To estimate, use twice the Government rate for heated and controlled humidity static storage space multiplied by the number of gross square feet of contractor storage space utilized annually.

8-4-6 DCASRs/DCASMAs/DCASPROs are responsible for the administration aspects of industrial facility management of DLAIER located at contractor's plants for use on current procurement or stored under layaway contract. DCASR/DCASMA/ DCASPRO responsibilities are set forth in the FAR; DLAM 8300.1, Production Manual for Contract Administration Services; and DLAM 4275.5. DCASRs/DCASMAs/ DCASPROs will not be requested to provide services on DLAIER equipment which are not contractually specified.

8-4-7 When DLA Centers provide DLAIER to a contractor to facilitate production on a supply contract, the Centers will require the contractor to perform a preproduction inspection of the equipment to certify its condition. The Centers will also require inspection by the contractor upon completion of the supply contract. The DLAIER Tool Listing will be an enclosure to the DD Form 1149, Requisition and Invoice/ Shipping Document. The contractor will certify in the post production inspection that the equipment is in the same condition as received, less normal wear and tear. The DLA Form 354, DLAIER Property Record (Production Tooling), will not be used.

8-4-8 Centers will request the responsible Contract Administration Office (CAO) to review the contractor's preproduction and post production inspections to assure that adequate and accurate inspections were performed by the contractor and the condition of the equipment, as represented, is valid. The CAO will assure that characteristics that are critical to the usage of the equipment have been included in the contractor's inspections. The CAO will perform a 100 percent visual inspection of all tooling for obvious defects such as breakage, corrosion, and other selected characteristics locally determined.

8-5 ACQUISITION AND RELEASE

8-5-1 Plant equipment (including IPE, special tooling, and special test equipment) recommended for retention in PEPs can be obtained from several sources, including:

a. Direct purchase under an industrial facilities project.

b. Current procurement contracts which require provision of GFP.

c. Excess generated by other elements of DoD or other Government agencies.

d. The DoD General Reserve (IPE only).

8-5-2 DSCs will assure that a valid need exists for equipment to support current or mobilization production prior to considering acquisition from any source. Additionally, DSCs will not assume accountability for equipment which is not in good condition, that will not produce according to current specifications for the end item or that requires costly repairs. This restriction need not apply if there is an emergency requirement for use on current procurement and equipment can be repaired in time to produce in accordance with the contract delivery schedule.

8-5-3 DSCs may acquire equipment for mobilization from excess listings and any unassigned reserves.

8-5-4 DSCs may authorize temporary release of DLAIER equipment earmarked for mobilization, other than that included in PEPs, for use on current procurement. Approval by DLA-PRS is required prior to release of equipment included in PEPs.

8-6 UTILIZATION

8-6-1 Authority and procedures for the utilization of the DLAIER for current procurement are prescribed in paragraph 8-9.

8-7 MAINTENANCE

8-7-1 The DLAIER will be maintained in the following stock readiness conditions.

8-7-2 IPE in PEPs will be maintained in such condition that it will be capable of producing the end item efficiently and effectively for which it is being retained.

8-7-3 Special tooling and special test equipment will be maintained in good condition and will be repaired or modified as necessary for efficient and effective end item production on a multishift basis.

8-8 PLANT EQUIPMENT PACKAGES (PEPs)

8-8-1 GENERAL. Criteria and procedures for the establishment, retention, or discontinuance of PEPs are set forth below.

8-8-2 CRITERIA. In order to justify the establishment or the continued maintenance of a PEP the following conditions must be met:

a. Provisions for production capacity to meet critical mobilization needs of the sponsoring Military Department must be derived through the use of, and in consonance with, current Secretary of Defense planning guidance in accordance with DoD guidance.

b. Determination must be made that adequate sources will not be available to produce specific military items based on studies of time phased mobilization capacities of both military industrial facilities and private industry.

c. The need for such capacity must be established in accordance with the policy set forth in DLAR 4005.4, DLA Industrial Preparedness Program (IPP), and DoD 4005.3-M, Industrial Preparedness Planning Program Manual.

8-8-3 PROCEDURES

a. DSCs will be responsible for recommending to HQ DLA, ATTN: DLA-PRS, the establishment, continued retention or discontinuance of Plant Equipment Packages (PEPs). Formats A, B, and C used in making these recommendations will be prepared in accordance with DLAM 4275.5, Management of Defense-Owned Industrial Plant Equipment (IPE). DLA-PRS will review recommendations and indicate concurrence in the establishment or continuation of PEPs by assigning or continuing a PEP number. Such action assures that this equipment will not be redistributed, in total or in part, for current production of other than the item to be produced during mobilization.

b. ESTABLISHMENT OF PEPS

(1) The DSCs will determine the need for retention at least 30 days before the end of production based upon procedures in DoD 4005.3-M and the criteria set forth in section 8-8. For each group of items recommended for retention, a Format A, with supporting data will be completed and submitted to HQ DLA, ATTN: DLA-PRS. DSCs will forward a copy of each Format A to DIPEC and to the DCASR/DCASMA/DCASPRO in whose geographic area its equipment is being used or the planned producer is located if the equipment is idle.

(2) Format A will be supplemented with a complete justification of need for the proposed PEP in those instances where a PEP must be developed and all equipment is not currently available.

(3) DLA-PRS will indicate concurrence in the establishment of a PEP by assignment of a PEP number which will be shown on each DD Form 1342 and other documents relating to the package. DLA-PRS will advise DSCs of approval or disapproval. DSCs will then advise DCASRs/DCASMAs/DCASPROs and DIPEC of action taken and furnish them with the PEP numbers of approved packages.

c. RECERTIFICATION. DSCs will conduct an annual review of approved PEPs to determine whether they still meet the criteria set forth in paragraph 8-8-2. For PEPs meeting these criteria, certification will be submitted to HQ DLA, ATTN: DLA-PRS, on a Format B. Format B will be submitted within 15 days of the annual review date which is the date of original approval. DSCs will be notified of approval or disapproval of recertification.

8-9 USE OF DLAIER FOR CURRENT PROCUREMENT

8-9-1 RELEASE AUTHORITY. Release of DLAIER equipment retained as an integral part of a PEP to support current procurement must be authorized by DLA-PRS in accordance with the provisions of paragraph 8-8-3. DSCs are authorized to

release for production all other DLAIER under their cognizance.

8-9-2 GENERAL GUIDANCE FOR DETERMINING USE OF EQUIPMENT

a. DLAIER may be used in connection with current procurement when the procurement quantity warrants the costs involved in removing equipment from and return to storage, including transportation and preservation.

b. DLAIER needing repair or modification due to specification changes may be offered for use on a current procurement provided that this action is determined to be in the best interest of the Goverment, and provided that the condition of the equipment is noted in detail in the Invitation for Bids.

c. If it appears that awards will result in more than one contract, consideration must be given to whether DLAIER equipment will be available in sufficient quantity for each contract.

8-9-3 FURNISHING DLAIER EQUIPMENT

a. Special tooling may be offered to prospective contractors for use in performing Government contracts and subcontracts if:

(1) It will not interfere with production or program schedules having a greater priority.

(2) It is otherwise advantageous to the Government.

(3) Its use will be authorized pursuant to FAR 45.402.

b. Facilities (as defined in FAR 45.301 and DoD FAR Supplement 45.301) may be provided or offered to DLA contractors only under the conditions set forth in FAR 45.302 and DoD FAR Supplement 45.302, with particular attention to the following:

(1) Requirement for a contractor's statement of inability or unwillingness to acquire the necessary facilities with private capital.

(2) Requirement for a determination that adequate price competition cannot be obtained prior to including in competitive solicitations an offer to furnish existing Government facilities.

c. DLAIER equipment will be furnished contractors pursuant to the provisions of FAR 45.302, DoD FAR Supplement 45.302, and DLAR 4105.1, subpart 45.302. The contract under which the equipment is furnished will contain a complete description thereof, and all clauses and special provisions required to protect the Government's interest in the equipment, including use, maintenance, repair, and specifications for processing for storage and shipment.

d. DLAIER equipment may be offered on an as is basis in any solicitation for fixed-price contracts as provided in FAR 45.308.

e. It is DLA policy to eliminate the competitive advantage that might otherwise arise from the acquisition or use of GFP. This is accomplished by charging rental or using rental equivalents in evaluating bids and proposals as provided in FAR 45.202-1. The only exception to this general policy is stated in FAR 45.202-3 which provides that certain costs or savings to the Government related to providing such property to contractors will be considered in such evaluation, regardless of any competitive advantage that may result from this exception.

8-9-4 PROCEDURES

a. DSCs desiring to utilize DLAIER equipment for current production will determine when and under what terms the DLAIER will be offered.

b. DSCs will forward justified requests to HQ DLA, ATTN: DLA-PRS, for authority to offer equipment from PEPs on solicitations for current procurement. DLA-PRS will advise DIPEC and DSCs when equipment may be released.

c. DSCs are authorized to release equipment for current procurement except as stated in subparagraph b above. DSCs will make necessary arrangements with storing activities for release of equipment.

d. DLAIER items will be offered or made available to a contractor as GFP in accordance wiith provisions of FAR and DoD FAR Supplement.

e. DSCs will make the necessary arrangements for prospective bidders to view the equipment stored at DLA Depots and familiarize themselves with the condition of the equipment, operation, production process, and/or other characteristics. DSCs will arrange with the storage site to unpack the equipment to be furnished on a contract. DSCs will arrange for a qualified technician to be present during the bidders' review to answer questions and to point out deficiencies, if any, relative to the equipment.

f. The same procedures as in subparagraph e, above, will apply to DLAIER items laid away in a contractor's plant except that DSCs will coordinate with the appropriate DCASR/DCASMA/DCASPRO prior to making arrangements for prospective bidders to view the equipment. DSCs will arrange for qualified personnel to be present to answer questions regarding the equipment.

g. DSCs will ensure that any work to be done on the equipment by the contractor is clearly spelled out in the prime contract for the end item being procured.

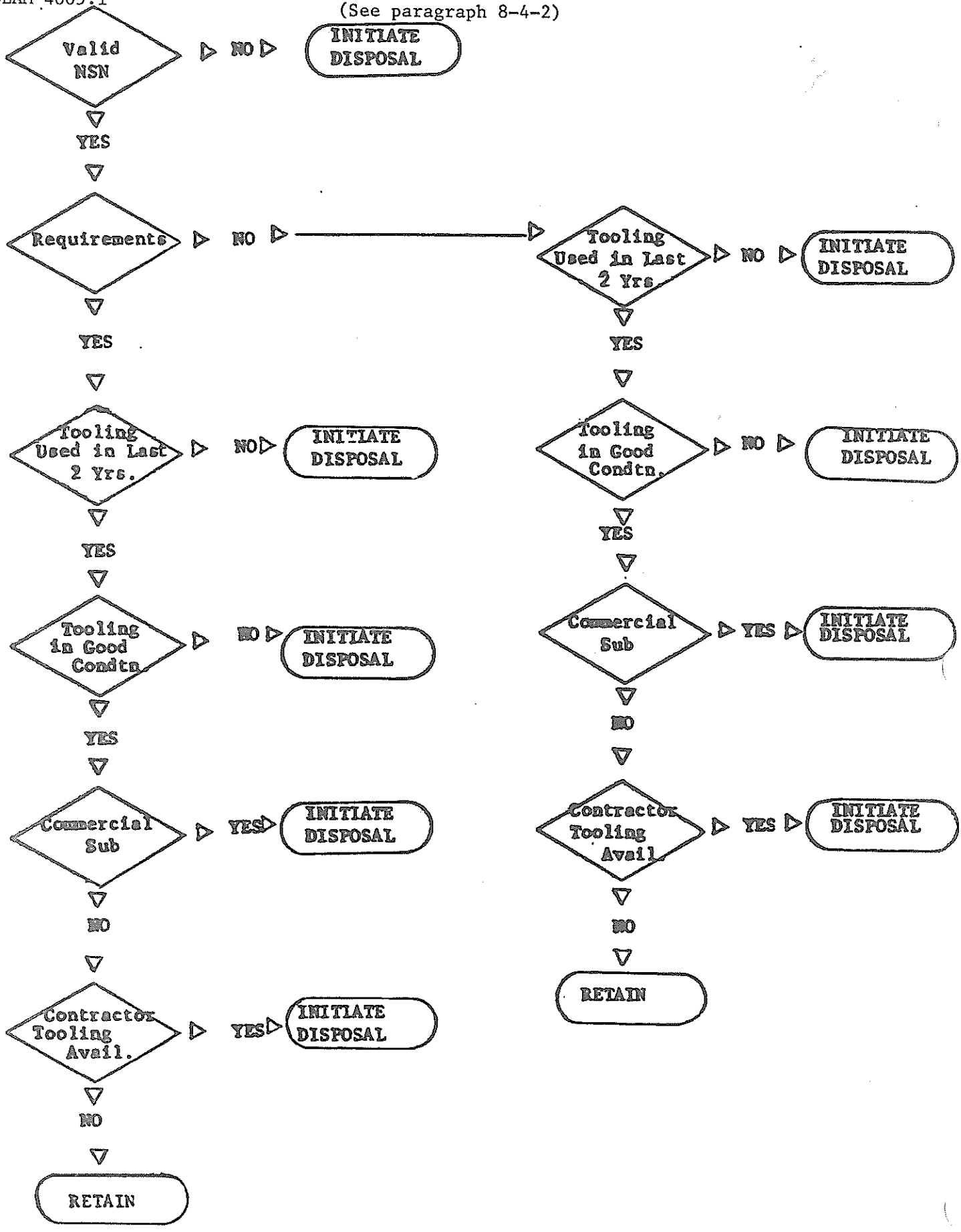
h. When a contract authorizes use of the DLAIER as GFP, DSCs will advise the applicable DCASR/DCASMA/DCASPRO to arrange for preproduction survey and verification of the condition of the GFP at the contractor's plant prior to its use and post production survey upon completion of the contract. When special tooling is involved, DSCs will request that DCAS perform the preproduction and post production surveys of the tooling.

i. DSCs will review the information provided by DCASRs/DCASMAs/DCASPROs

following post production surveys and prepare a report regarding the equipment, indicating whether the equipment is to be shipped to a storage site in accordance with the terms of the contract, or whether the contractor should be notified to correct deficiencies as indicated in the report. If additional corrective action is required, the DSC will notify the contractor (with copy of notification to the DCASR/DCASMA/DCASPRO) that the deficiencies should be corrected within 30 days. DCASR/DCASMA/DCASPRO will inspect repaired plant equipment prior to shipment from the contractor's plant.

j. As soon as the estimated contract completion date is known, the DSC will determine whether equipment is to be recommended for layaway at a contractor's plant. Recommendations for layaway of equipment at a contractor's plant will be submitted to HQ DLA, ATTN: DLA-PRS, for approval in accordance with procedures outlined in this manual. Referral to HQ DLA is not required if equipment is already covered by a layaway contract or is to be shipped to a military or DLA storage site. The cognizant DCASR/DCASMA/DCASPRO will be kept advised of proposed actions.

DLATER DECISION MATRIX
(See paragraph 8-4-2)



Chapter IX - INDUSTRIAL PREPAREDNESS PROGRAM PLANNING PACKAGES

9-1 GENERAL

9-1-1 The principal objective of IPP is not the completion of planning, but rather its final implementation. The implementation of plans for emergency procurement will depend on the degree of mobilization.

9-1-2 DSCs will develop and maintain the IPP packages for use during mobilization. IPP elements at the DSCs should maintain close coordination with contracting elements to ensure that contracting officers and other personnel are familiar with the objectives of the program, and are aware of the existence of mobilization plans.

9-2 COMPOSITION OF THE PACKAGE

9-2-1 The IPP package will be established and maintained for all planned items. The package should include the planned producers and schedules (DLA Form 1344), the Industrial Preparedness Plan (DLA Form 1345), and Standard Letter Contract.

9-3 DOCUMENTATION (Forms 1344 and 1345)

9-3-1 IPP documentation will be established and maintained for all planned items. The plan will consist of information for use by DLA field activities and the necessary information required for an alternate to perform under emergency conditions.

9-3-2 Review will be made to ensure inclusion of current data regarding requirements, planned producers, and production schedules. DSCs will update or revise the document annually or more frequently as changes warrant.

9-3-3 The IPP packages will contain mobilization requirements and production data and will reflect the planned producers phased cumulative production schedules and other information relating to the planned item. Normally, only unclassified data will be included in this plan. In the event a DSC desires to include classified data, DLA-PRS will be advised of the necessity for such data prior to its inclusion.

9-3-4 DLA Forms 1344 and 1345 have been developed for use by all DSCs. The forms along with the Letter Contract and the planning documents are to be filed. The preparedness packages will be filed by Federal Stock Class or Federal Stock Group. Detailed instructions for their preparation are provided in Appendices B and C.

9-4 STANDARD LETTER CONTRACT (IPP)

9-4-1 The basic IPP implmenting document will be the Letter Contract. DSCs will prepare the Letter Contracts as data becomes available and decisions made as to selected sources of supply and production schedules.

9-4-2 DD Forms 1519 are informal production agreements not legally binding on

either the Government or planned producers. These documents indicate the Government's intention to convert planned mobilization production schedules to contracts by negotiating on a selective basis as may be required to minimize material shortage during an emergency. Therefore, an additional procedural step is necessary to authorize the contractor to initiate his planned production.

9-4-3 The authority for negotiating procurement in the event of national emergency is 10 U.S.C. 2304(c)(3) and cited in the FAR 6.302-3. Upon receipt of advice from the Secretary of Defense that expanded use of authority to negotiate is authorized DLA-P will notify DSCs to implement the emergency plans (Letter Contracts).

9-4-4 Adequate cross-reference should be included to identify producers who are scheduled to produce more than one item. In such cases, if applicable, only one Letter Contract should be furnished to the producer listing all the items scheduled for production.

9-4-5 A letter explaining the implementation procedure will be forwarded to each planned producer upon completion of planning to ensure that manufacturers are aware of this procedure.

9-5 IMPLEMENTATION OF PLANS

9-5-1 Plans will be implemented only to the degree necessary to support a specific emergency. Full implementation of plans for mobilization procurement and release of Letter Contracts for planned items are contemplated under full mobilization.

9-6 ALTERNATE FILES MAINTENANCE

9-6-1 Copies of each IPP package will be furnished to the Emergency Relocation Site (ERS), and the DLA Central File Repository. The appropriate mailing address can be found in the DLA Field Activity Basic Emergency Plan (FABEP). DSCs should assure these files remain current. DLA-PRS will annually inspect these files to ensure proper maintenance.

Chapter X - PRODUCTION BASE ANALYSIS (PBA)

10-1 GENERAL

10-1-1 The PBA is an annual report prepared by DLA describing the condition of the existing defense industrial base and the results of IPP efforts to satisfy surge and mobilization requirements. The PBA provides information for planning, programming, and budgeting IPMs and for long range plans to sustain and improve the defense industrial base. Each DSC will brief the DLA Command Structure annually on the results of their PBA shortly after their written PBA is submitted (31 October). HQ DLA, in turn, will then brief the Office of the Assistant Secretary of Defense for Acquisition and Logistics, Military Departments, and Office of the Joint Chiefs of staff after a consolidated DLA PBA is submitted to OSD.

10-2 REPORT

10-2-1 The PBA should identify requirements, capacities, and planned actions using both statistical displays and narrative descriptions. It should depict the current status of the industrial base and the existing "D" to "P" shortfalls (planned rate of production versus the wartime consumption). It should provide analysis that will recommend actions to resolve the "D" to "P" shortfalls. It should reflect the impact of peacetime budgetary decisions and DoD policies on the surge and mobilization capability of the base.

10-2-2 Each PBA may be tailored to fit individual Service demands but will include as a minimum:

a. BASE DESCRIPTION. A general description of the industrial base including:

(1) A statement of the DSC's IPP planning objectives.

(2) An estimate of each industry's capability to meet production requirements during peacetime, surge, and mobilization conditions.

(3) An evaluation of industrial and economic trends to include import/export/manufacturing aspects.

b. ITEM/FACILITY ANALYSIS. Assess the ability of the industrial base to meet production requirements for critical items selected for IPP planning. Analysis must consider both vertical and horizontal aspects. Included in the analysis are:

(1) Planned allocated capacities and production schedules.

(2) Identification of industrial base deficiencies including skilled personnel and capacity shortfalls.

(3) Identification and impact of competing Service demands for production capacity.

(4) Identification and impact of sole source or foreign dependency components.

(5) Surge production potential.

(6) Description of expenditures (current and projected) required to maintain industrial base adequacy to support planned items for surge and mobilization.

(7) Recommendations of actions to eliminate bottlenecks and constraints which inhibit industrial responsiveness and preparedness.

c. BASE CHANGE/IMPROVEMENT SUMMARY. Describe the significant improvements and changes which have occurred since the previous PBA.

d. IPMs. Describe proposed IPMs and the status of previously proposed IPMs.

e. BUDGET DEVELOPMENT. A presentation of the proposed budget program to implement the IPP objectives and strategic investment strategy.

f. RESPONSIVENESS TO JCS/Service Critical Item List (CIL). Assess the capability of the industrial base to meet the requirements for those DLA managed items listed on the JCS/Service CIL.

Chapter XI - IPP IMPLEMENTATION AND POST ATTACK PLANNING

11-1 The authority for negotiating a contract in the event of a national emergency is 10 U. S. C. 2304(c)(3) and cited in FAR 6.302-3. Upon receipt of advice from the Secretary of Defense that expanded use of negotiated contracting under a national emergency is authorized, DLA-P will notify DSCs to implement their emergency plans. The implementing document is the Letter Contract.

11-2 IMPLEMENTATION OF PLANS

11-2-1 Implementation of plans will be based on requirements and availability of funds.

11-2-2 Plans will be implemented only to the degree necessary to support a specific emergency and will be coordinated with the Supply Operations Directorate so a balanced supply support system would exist. Full implementation of plans for release of Letter Contracts for planned items are contemplated only under full mobilization.

11-2-3 Under partial mobilization wherein the use of full Approved Force Level is not required, the DoD policy will be to acquire military support with minimum impact on commercial production. The need for imposing economic controls on the civilian segment of the nation will depend on the ability to obtain the required military supplies without disturbing the civilian economy.

11-3 IMPLEMENTATION LIST

11-3-1 An Implementation Checklist will be maintained at each DSC to allow timely implementation of emergency actions by DSCs with a minimum of disruption. The list should reflect the actions to be taken under various contingencies. Supporting documents (including Letter Contracts) will be maintained in such a way as to require a minimum of time and effort to complete and dispatch.

11-3-2 The Implementation List should contain such required actions as:

a. Coordinating with the Supply elements to ascertain the magnitude of the Military Services' requirements for which emergency contracting is to be effected.

b. Screening planned producers to identify producers who may not be able to convert to DLA mobilization production immediately.

c. Selecting planned producers to the extent required to satisfy the emergency demands.

d. Assuring that the allocable GFM is available for planned producers and expediting issuance and delivery.

e. Authorizing contractors to use facilities including PEPs, notifying DIPEC to ship equipment as applicable, assisting contractors in determining the

need for plant equipment, ascertaining availability of GFE and notifying DIPEC of the need and relative priority.

f. Assisting contractors in obtaining samples, technical data, and technical assistance as needed.

11-4 EMERGENCY PLANNING ACTIONS

11-4-1 Existing procedures for waiving or avoiding the delay incident to compliance with approval requirements are adequate to permit the expeditious acquisition of supplies in an emergency situation.

11-4-2 Procedures provide for expanded use of the negotiating authority with removal of limitation on use of negotiating authority provided in 10 U. S. C. 2304(c)(3) and cited in FAR 6.302-3. Of the other requirements, most are self-waiving, are required only to the extend deemed practicable or would be dispensed based on the judgment of experienced contracting personnel faced with a situation of compelling urgency. (Examples are Small Business and Labor Surplus Set-Aside procedures and use of GSA schedules.)

11-4-3 In an emergency DLA-P will furnish the DSCs with necessary guidance and authorities to implement the mobilization contract actions.

11-4-4 It is not anticipated that full implementation of the plans including the authority to negotiate contracts will be required for every emergency. The impact of supply requirements will determine the degree to which mobilization plans will be used to support the effort. IPP plans must be prepared to support surge/mobilization programs to the maximum extent possible.

11-5 POST ATTACK PLANNING

11-5-1 In the event of an attack or a threat of an attack, the initial effort will be directed towards those measures necessary for survival and recovery. Available resources will be used to sustain life at a productive level, support military defenses, and retaliatory operations and support other activities essential to the continued survival and recovery.

11-5-2 Responsibilities for emergency mobilization actions for the Federal Government are assigned to specific agencies by Executive Order (EO) 11490. The Federal Emergency Management Agency (FEMA) has the overall responsibility for coordinating the efforts of all Federal agencies.

a. DoD

(1) The Secretary of Defense is responsible for the military readiness of the nation as well as specific functions assigned in EO 11490.

(2) Under EO 10952, the Secretary of Defense is also responsible for assisting FEMA in developing manufacturing priorities.

b. FEMA

(1) FEMA has overall responsibility in areas of preparedness and economic mobilization except for the specific functions assigned to DoD.

(2) FEMA has the main responsibility to advise and assist in national resources management and other emergency preparedness activities for mobilization.

(3) Military Departments and DLA are claimant agencies on other Federal agencies for material or services under DoD control. Civilian agencies receive DoD requirement estimates in order to relate them to civil and other needs, not to act upon them as a supply agency would. Formal claimancy relates to controlled items only and results in priority or allocation.

Chapter XII - FORMS AND REPORTS

12-1 GENERAL

12-1-1 This chapter consolidates the various reporting requirements prescribed earlier and, as appropriate, provides the detailed instruction for preparing the specific aforementioned forms.

12-2 REPORTING REQUIREMENTS

12-2-1 The following reporting requirements are prescribed. Applicable paragraph numbers establishing the requirements are indicated in parentheses.

12-2-2 Reports to be forwarded by DSCs to DLA-PRS:

a. IPPL. Updated list should be forwarded annually by 30 June.

b. FORMAT A (Chapter VIII). As required, this format will be used to request establishment of a PEP (RCS DD-DR&E(AR)642).

c. FORMAT B (Chapter VIII). As required, this format will be forwarded on the annual review date for each PEP being retained.

d. FORMAT C (Chapter VIII). As required, this format will be used to report discontinuance of PEP.

e. DD FORM 770, REQUEST FOR RELEASE OF EQUIPMENT ASSIGNED TO PLANT EQUIPMENT PACKAGES. As required, these forms will be submitted to request equipment from PEPs for use on current procurement.

f. ANNUAL INVENTORY LIST OF EQUIPMENT. Each DSC will forward such listing by 1 December of each year to DLA-PRS. This report is assigned RCS DLA(A)1132(P).

g. PRODUCTION BASE ANALYSIS (PBA). Each DSC will forward such report by 31 October annually to DLA-PRS.

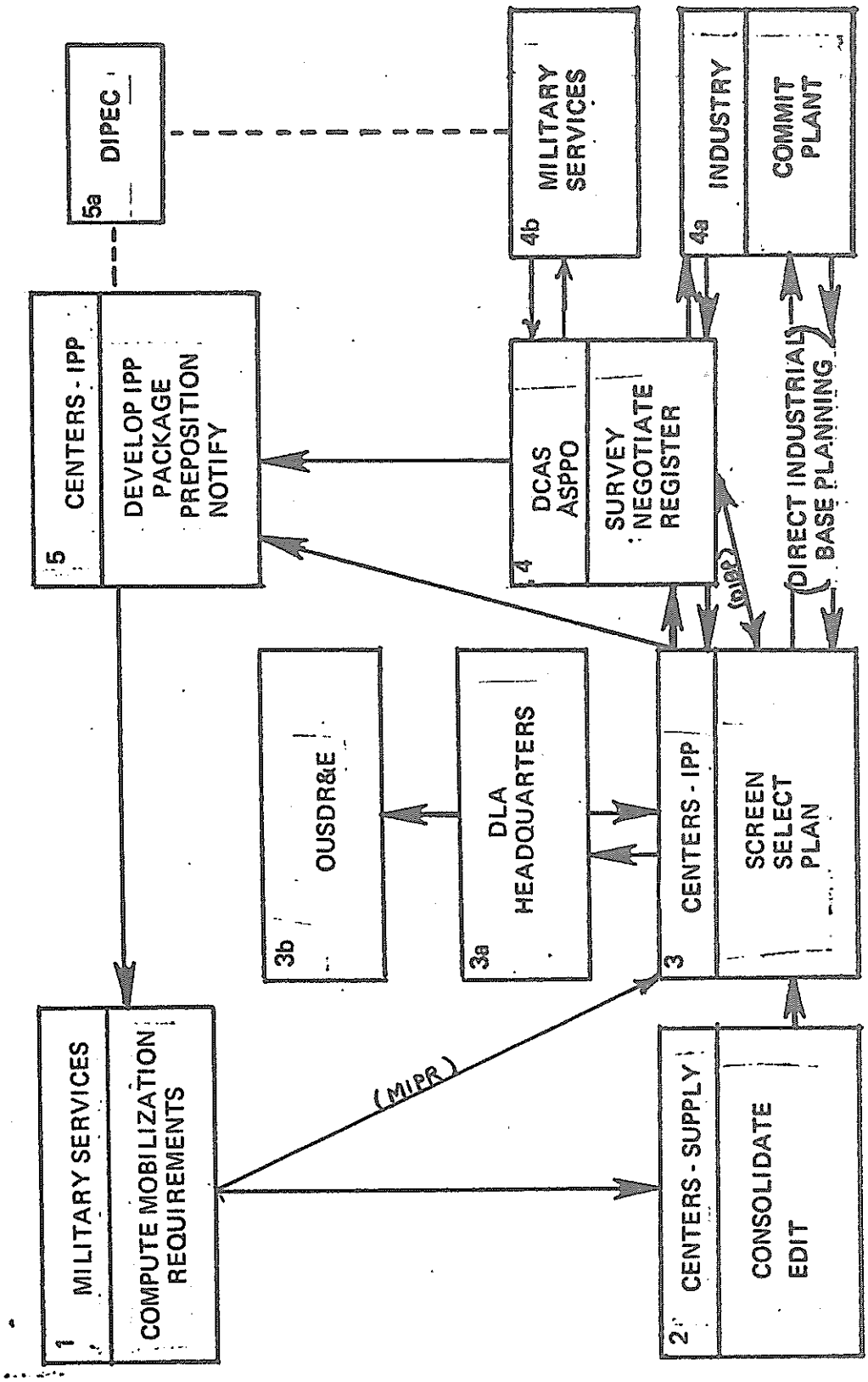
12-3 INDUSTRIAL PREPAREDNESS PLAN

12-3-1 DLA FORMS 1344 AND 1345. Detailed instructions for the preparation of these forms are outlined in Appendices B and C.

12-4 STANDARD LETTER CONTRACT

12-4-1 The standard IPP Letter Contract, as shown in Appendix D of DoD 4005.3-M, will be used by all DSCs. All appropriate elements of this Letter Contract should be completed; the Schedule of Supplies or Services will contain the following information: NSN, Nomenclature, Specification, and Schedule of Delivery. When additional space is required, an enclosure to the contract should be attached.

DLA PLANNING PROCESS (SUPPLY CENTERS)



INSTRUCTIONS FOR PREPARATION OF DLA FORM 1344, PLANNED PRODUCERS AND SCHEDULES.

A. NSN - self-explanatory.

B. NOMENCLATURE - self-explanatory.

C. ASPPO CODE - The ASPPO will be identified by the entrance of the ASPPO Code of the DCASR/DCASMA/DCASPRO of each facility listed.

D. PIN - The Plant Index Number obtained from the RPEP, DD Form 1519-2.

E. TYPE OF BUSINESS - A code letter L for large, and S for small to indicated the size of the business. A P should be inserted when applicable to indicate that the producer is the parent company.

F. PLANT IDENTIFICATION - Indicate the name and address of the manufacturing plant.

G. SCHEDULE AND ITEM NUMBER.

H. PRODUCTION EQUIPMENT CODE - Indicate whether the facility requires additional production equipment or tooling to meet the planned production schedule by using the following codes:

1. No production equipment or tooling required.

2. Production equipment required; no tooling required.

3. No production equipment required; tooling required.

4. Both production equipment and tooling required.

5. Government-owned equipment earmarked.

I. IPM - Indicate whether an industrial preparedness measure has been developed and/or has been implemented.

J. SHIFT HOURS - Number of hours per week the plant will operate to produce the schedule indicated.

K. OTHER ITEMS - Use the code letter N for No and Y for Yes to indicate whether other items are scheduled for emergency production in the plant.

L. SUBCONTRACTOR PROBLEMS - Indicate whether a subcontractor problem is contemplated by using the following codes:

1. N - No Subcontractors

2. X - Subcontractors, no problems

3. Y - Subcontractors, problem expected

M. CENTER PRIORITY - Use the number 1 (highest) through 8 in designating the order of contract placement at Centers.

N. TOTAL PRODUCTION 1ST YEAR - The expected production for 1st year of scheduled production.

O. RSAC - The Region, State, Area, County Code. Enter the appropriate RSAC code as indicated on the DD Form 1519-2. ASPPO should provide the information when DD Form 1519-2 is not available.

P. UTM - The Geographical Coordination in terms of either Universal Transverse Mercator (UTM) or Latitude and Longitude as indicated on DD Form 1519-2.

Q. P/V CODE - Enter the appropriate Physical Vulnerability Code for the manufacturing facility as indicated in the Remarks Section of the DD Form 1519-2.

R. PHASE PRODUCTION SCHEDULE - Indicate the Phased Production Schedules as shown on the DD Form 1519, starting with M+1. Normally, this should reflect the monthly capacity up to the month in which the maximum production rate is reached.

S. IPP PRODUCTION DATA

1. MPC - Capacity of producer to meet the mobilization requirement.

2. WMPC - Maximum Capability of producer to supply commodity.

T. DEFENSE MATERIALS SYSTEM (IF APPLICABLE)

PLANNED PRODUCERS AND SCHEDULES

NSN:

NOMENCLATURE:

ASPPO CODE	PIN	BUSINESS L - LARGE S - SMALL P - PARENT	PLANT NAME AND ADDRESS					SCHEDULE AND ITEM NUMBER	PRODUCTION EQUIPMENT CODE	IPM STAFF OR IMPLEMENTED	SHIFT HOURS	OTHER ITEMS	SUB CTR PROBLEM	CENTER PRIOR / PLNG YEAR	TOTAL PROD. 1ST YR
RSAC															
UTM			M + MONTH	1	2	3	4	5	6	7	8	9	10	11	12
P/V CODE			QUANTITY												
RSAC															
UTM			M + MONTH	1	2	3	4	5	6	7	8	9	10	11	12
P/V CODE			QUANTITY												
RSAC															
UTM			M + MONTH	1	2	3	4	5	6	7	8	9	10	11	12
P/V CODE			QUANTITY												
RSAC															
UTM			M + MONTH	1	2	3	4		6	7	8	9	10	11	12
P/V CODE			QUANTITY												
(85)															
RSAC															
UTM			M + MONTH	1	2	3	4	5	6	7	8	9	10	11	12
P/V CODE			QUANTITY												
RSAC															
UTM			M + MONTH	1	2	3	4	5	6	7	8	9	10	11	12
P/V CODE			QUANTITY												

SAMPLE

IPP PRODUCTION DATA		
MPC = Materiel Production Capability	PLND	PAGE MPC
WMPC = War Materiel Production Capability		FWD MPC.
UNIT OF MEASURE		TOTAL MPC
	MAX	PAGE WMPC
		FWD WMPC
		TOTAL WMPC

DEFENSE MAT'L SYS. CATEGORY CODE	IN TONS		IN POUNDS						BIO LIST CODE
WEIGHT OF MATERIAL PER:	10	20	30	40	50	60	70	80	

DLA FORM 1344
OCT 84

PREVIOUS EDITIONS ARE OBSOLETE.

© U.S. Government Printing Office: 19[illegible]-[illegible]1-1

INSTRUCTIONS FOR PREPARATION OF DLA FORM 1345, INDUSTRIAL PREPAREDNESS PLAN. A DLA Form 1345 will be prepared for each planned item. This form consists of the following data groups: Item Identification, Factors Affecting Production, and Summary. The planning year is indicated in the upper right hand corner.

A. ITEM IDENTIFICATION

1. IDENTIFICATION NUMBER - DSCs may utilize numbering systems (in addition to NSNs), such as Mobilization Identification Number (MIN), specification or DD Form 1519 number, to further identify the item.

2. NSN - National Stock Number.

3. SPECIFICATIONS - The applicable specification number or numbers for the item being planned.

4. NOMENCLATURE - Should adequately identify the item being planned.

5. USERS - The Military Service using the item being planned, i.e., Army, Navy, Air Force or Marine Corps.

6. UNIT PRICE - Current catalog price of item being planned.

7. UNIT OF ISSUE - Unit of quantity issued, i.e., each, pounds, and so forth.

8. APPLICATION - End item application.

B. FACTORS AFFECTING PRODUCTION

1. IPP LEAD TIME - The production lead time used in selecting an item for planning and is expressed as the typical production lead time for the item for industry under emergency conditions where use of existing regulations (Defense Production Act) will assist in obtaining materials, equipment, etc. However, IPP lead time should exclude unusual influences on the market place such as the oil embargo, devaluation of the dollar and sporadic shortages of material.

2. CURRENT PLT - The current interval expressed in months between the date of award and the date receipt of first delivery or lot into the supply system.

3. GFE REQUIREMENTS - Government-Furnished Equipment which is essential in order to manufacture the items being planned.

4. GOVERNMENT-FURNISHED PROPERTY - Government-furnished material used in the manufacture of the planned item.

5. CRITICAL SKILLS - Any industrial skills essential to the production

of the item being planned.

6. CRITICAL MATERIALS - Materials necessary for production.

7. CRITICAL PROCESSES - Essential process for production.

8. SPECIAL TOOLING/TEST EQUIPMENT - Any special tooling (i.e., jigs, dies, molds, etc.) and test equipment necessary for production. This does not include IPE.

9. SUBCONTRACTOR IMPLICATION - Indicate whether any subcontractor planning is required.

10. INDUSTRIAL PREPAREDNESS STUDY - Indicate whether an Industrial Preparedness Study has been conducted for the item being planned.

C. SUMMARY. This data group summarizes the scheduled production with planned suppliers versus total service mobilization requirements.

1. Total Services Requirement (IPP) (Line 1) - This quantity is the adjusted War Materiel Requirement (WMR) appearing on the SAMMS Report Number F-176, "Item War Reserve Study." This figure generally appears through D+6 after which yearly mobilization figures must be extrapolated and will be the requirement used to plan with industry.

2. Cumulative Requirement (Line 2) - The monthly Total Service Requirements extracted from Line 1 will be cumulated by month and extended on Line 2. The Cumulative Requirement (Line 2) for the first month (M+1) will be the same as the Total Service Requirement (M+1) (Line 1). The cumulative requirements for M+2 through M+12 will be computed by adding the Total Services Requirement (Line 1) for the current month plus the cumulative requirement for the previous month (Line 2). This method is illustrated below.

Cumulative Req. (M+1) (Line 2) = Total Service Req. (M+1) (Line 1)

Cumulative Req. (M+2) (Line 2) = Total Service Req. (M+2) (Line 1) + Cum. Req. (M+1) (Line 2)

Cumulative Requirement M+4 through M+12 are computed in like manner.

3. SCHEDULED MOBILIZATION PRODUCTION (Line 3) - enter the monthly planned production schedules extracted from DLA Form 1334, Planned Producers and Schedules, quantified by months.

4. CUMULATIVE MOBILIZATION PRODUCTION (Line 4) - Scheduled Mobilization Production (Line 3) will be computed by month and entered on Line 4 as illustrated below.

Cum. Mobilization Production (M+1) (Line 4) = Scheduled Mob. Prod. (M+1) (Line 3)

Cum. Mob. Prod. (M+2) = Sch. Mob. Prod. (M+2 + Cum. Mob. Prod. (M+1))
(Line 4) (Line 3) (Line 3)

5. DIFFERENCE (Line 5) - This quantity represents the difference between the Cumulative Requirements (Line 2) versus the Cumulative Mobilization Production (Line 4). Line 4 will be subtracted from Line 2 and the resultant difference will be entered with the appropriate plus (+) or minus (-) signs on this line.

INDUSTRIAL PREPAREDNESS PLAN

PLANNING YEAR

ITEM IDENTIFICATION

IDENTIFICATION NUMBER	NSN	SPECIFICATION	NOMENCLATURE	USERS	UNIT PRICE	UNIT OF ISSUE	APPLICATION

FACTORS AFFECTING PRODUCTION

PP LEADTIME (12 months)	CURRENT PLT	GFE REQUIREMENTS	GOVERNMENT FURNISHED PROPERTY

CRITICAL SKILLS	CRITICAL MATERIALS	CRITICAL PROCESS

SPECIAL TOOLING/TEST EQUIPMENT	SUBCONTRACTOR IMPLICATIONS	IND. PREP STUDY
		☐ YES ☐ NO

REMARKS

SAMPLE

SUMMARY

M + MONTHS →	1	2	3	4	5	6	7	8	9	10	11	12
1. TOTAL SERVICES REQUIREMENT												
2. CUMULATIVE REQUIREMENT												
3. SCHEDULED MOB PRODUCTION												
4. CUMULATIVE MOB PRODUCTION												
5. DIFFERENCE												

DSA FORM 1345 JAN 73

EDITION OF NOV 71 IS OBSOLETE